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PRODUCTION DIVISION COST REDUCTION PROGRAM
SUMMARY REPORT

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WILMINGTON, DELAWARE 19898

CHEMICALS AND PIGMENTS DEPARTMENT

May 11, 1983

TO: ADDRESSEES

FROM: M. BARSZCZ

1983 COST REDUCTION PROGRAM
FIRST QUARTER RESULTS

Cost reduction efforts in the first quarter have yielded savings of $29.4MM, 33% of the Production Division's goal of $90MM. The current estimate of year-end savings is now $102MM.

Three plants (Cleveland, Deer Park, and Healing Springs) currently anticipate savings below their commitment.

- Cleveland's earlier forecast reductions had included yield and manpower savings in GBS, which will not be realized due to shutdown of that operation. Their current estimate of savings is $186M above their commitment for the remaining products.

- Deer Park's below forecast savings are principally a result of lower than forecast production rates. New programs have been identified to compensate for a portion of the shortfall.

- Healing Springs will fall short of committed savings principally due to lower than forecast prices for methanol and fuel oil.

Eight plants have realized approximately one-half of their annual committed savings in the first quarter. Three other (East Chicago, Fortville, and Toledo) have already achieved their committed savings.

- East Chicago's savings resulting from productivity improvements and manpower reductions were understated in last fall's cost reduction forecast.

- Fortville has exceeded forecast energy savings by $25M in the first quarter as a result of improved process control.

- Toledo has offset reduced savings due to lower than forecast production rates and raw material prices by unforecast manpower reductions.

MB:pah
Attachment

FIRST QUARTER 1983 COST REDUCTION SUMMARY
($M)

	3 Months 1983		Annual Rate			
	Realized YTD	% Factory Cost	Committed	Goal Total	Current Estimate	% Factory Cost
Antioch	250	4.0	504	655	1,400	6.0
Augusta	46	7.0	95	95	95	4.0
Beaumont	3,522	12.7	7,080	7,170	11,078	10.1
Belle	333	2.0	2,189	2,921	2,779	3.6
Burnside	78	2.0	344	344	344	1.0
Chambers Works	9,592	13.0	20,372	23,298	23,630	8.4
Cleveland	400	6.0	1,391	1,737	1,227	4.7
Deer Park	1,774	6.3	10,280	14,919	9,195	7.3
DeLisle	2,509	9.3	3,674	4,748	6,500	6.0
East Chicago	444	1.2	386	1,036	2,054	2.3
Edge Moor	655	3.5	6,492	7,552	6,600	8.0
Florida	200	5.3	487	712	700	4.0
Fort Hill	-	-	-	-	-	-
Fortville	42	7.3	26	59	151	6.7
Grasselli	486	7.8	994	1,197	1,487	6.0
Healing Springs	40	3.5	310	410	171	4.0
James River	19	1.0	44	168	80	1.0
Johnsonville	3,368	10.0	5,583	8,645	11,500	8.0
LaPorte	721	3.7	1,644	4,135	3,376	3.5
Memphis	1,176	3.8	3,649	5,750	5,300	4.3
Newark	847	5.6	2,497	2,781	2,770	3.9
Newport	489	6.1	2,221	3,459	3,544	10.5
Niagara Falls	615	2.7	2,933	3,938	2,940	3.1
Pineville	-	-	-	-	-	-
Repauno	1,697	11.0	2,687	3,129	4,585	7.7
Toledo	53	3.2	44	405	437	4.9
Wurtland	2	0.1	10	13	13	0.1
TOTAL	29,358	6.8	75,936	99,276	101,956	7.3
ROUNDED TO $MM	29.4		75.9	99.2	102.0	